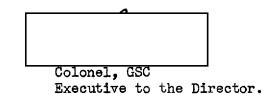25X1

TOP SECRET

6 September 46
1645 hours.

MEMO FOR RECORD

Based on the attached paraphrase of cable received on 2-3 September, I arranged a conference with General Connolly, Office of the Foreign Liquidation Commission, at 1530 hours this date in General Connolly's office. I permitted General Connolly and Mr. S. D. Boykin, Chief of the Compliance Branch, OFLC, to read the paraphrased cable and made the following points:

25X1

    1.   That the source of the message was _fairly_ reliable but that there was not sufficient evidence that the Colonel [blank] in question _had_ made the reported statements to consider them positive.

    2.   That our (CIG) reaction to the message was as follows:

        a. _If_ the individual in question was engaging in any foreign clandestine intelligence operations, as an official of OFLC, he was violating proper governmental practices.

        b. _If_ he was discussing a possible connection between OFLC and any sub-rosa political group he would be jeopardizing the status of the OFLC.

    3.   That our interest in the matter was strictly to report a possible condition which, if true, might operate against the interests of the charter of OFLC.

At the request of General Connolly, I agreed to provide them with anything further in this connection which might come to our attention.

25X1

Colonel, GSC
Executive to the Director.

TOP SECRET

25X1

25X1

"X" was approached here recently by a Colonel [____] of the Compliance   25X1
Branch O.F.L.C., [_____]   The Colonel was reputed to have stated that
O.F.L.C. would maintain interests in Europe over a long period and that
he.was interested in recruiting "X" and others for commercial intelligence.

It is understood that details were requested of Colonel [____] and that he   25X1
is reported to have stated that a U.S. anti-communist secret organizat-
ion was being set-up - - - and that "commercial intelligence" was a
"front" for that organization.

Jen Connelly
819-72083 -5804
72160
call Thurs AM

TOP SECRET